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Human Events

YOUR WASHINGTON REPORT

Vol. XIX, No. 17 April 28, 1962 Section 1 — News

JFK: *Beyond the law on steel* .....(297)

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Rollback of Kennedy?: After JFK's action to roll back the U. S. Steel price hike, the forces of conservatism last week went out to roll back the President's pretension to fix prices extra-legally. Benumbed only briefly by the swift pace of the Presidential blitz on the laws of economics and government, conservatives rallied to wage war for constitutional government—for a government of laws, not men.

Senator Barry Goldwater (R.-Ariz.) sounded the keynote last week when he assailed JFK's attempt "to become a one-man price-fixer for the nation." He told Republicans they "need no longer hold back and be careful about what they say" in criticism of the Democratic Administration and its adherents. "Every man, woman and child knows what we are up against. Our opposition is committed to change our way of life—and let's wake up to it."

The GOP House and Senate leaders charged that Kennedy, in his pressure on Big Steel, "directed or supported a series of governmental actions that imperiled basic American rights, went far beyond the law and were more characteristic of a police state than a free government."

Members of Congress talked of a congressional investigation of all facets of the White House's action against U. S. Steel and two members of the House started the ball rolling by proposing a House probe to find out if Defense Secretary Robert McNamara had acted illegally in placing a Defense order with Lukens Steel Company. Following the Kennedy order to punish U. S. Steel and reward companies which did not raise prices (among them Lukens), McNamara gave Lukens by phone a $5-6 million order for armor plate. The law requires competitive sealed bids.

Meanwhile, alert sections of the press reacted strongly against the Kennedy "mailed fist" procedure. How seriously veteran press observers in the Capital took the menace of President Kennedy's expansion of power was noted in the appeal by columnist David Lawrence on April 17 to conservatives to take up the fight "against the dictatorship complex that seems to have seized the Kennedy Administration." And columnist Walter Trohan of the Chicago *Tribune* concluded a review of JFK's increase of power with this warning: "The danger of expanding power is that it is a sure road to dictatorship."

As conservatives rallied to the fight, in Congress and the press, the President—apparently worried—asked Steelmaster Roger Blough to the White House for a conference, which was later described as "cordial." The next day, at his press conference, JFK disclaimed any "vindictiveness" toward the company he pilloried a few days before. But the government failed to call off a grand jury probe of U. S. Steel.

What had happened? Many businessmen reacted adversely to the Kennedy tantrum, concluding that the President was—as they had been hesitant to say—"anti-business." Over-all businessman sentiment decided he was.

Implications of this phenomenon dawned on the White House—it is said—particularly following a sobering front-page Washington *Sunday Star* article (April 15) which said: "If the economy falters, he [JFK] will be more vulnerable than ever to criticism in Congress and retribution at the polls."

Actually, it is believed that veteran observers warned Kennedy of the dread parallel between the present situation and what happened in 1937. Early that year, "recovery" from the Great Depression had been going on. Then, in February, FDR sprang his Supreme Court packing scheme to get radical legislation approved—chilling business sentiment. Next, in April, 1937, FDR attacked a price boost in copper and promised to punish producers by allowing less government support for such goods. A great decline in business followed and was one of the sharpest in history—over twice as deep as the recession in 1958.

Hence, a grim specter impressed the White House last week. Shutdowns of blast furnaces in Buffalo and Pittsburgh occurred following the JFK blitz. Rumors that 100,000 steelworkers would be out of work within months spread. And will U. S.

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Steel pare its dividend this week? What will happen to the Kennedy prosperity—and next fall's elections?

"That's Different": The day after the President's assault on Big Steel for raising its prices, the UPI from Chicago reported that the Merchandise Mart, an office building in that city, "is raising some of its rents by three to five per cent." The Mart is owned by multi-millionaire Joseph P. Kennedy, the father of the President.

Wallace O. Ollman, the Mart's general manager, said "the raises are necessitated by increased operating costs, principally labor and taxes." The Washington *Daily News* (Scripps-Howard) ran the UPI flash in an editorial with the ironic title, "That's Different."

News of this raise—coming at the time JFK bitterly cracked down on Steel for its raise—has caused a great deal of comment on Capitol Hill. Representative Paul Findley (R.-Ill.) announced on the House floor: "I have written to the Attorney General urging an investigation to determine whether Joseph P. Kennedy showed ruthless disregard for the public interest in raising these rents."

Press: Swift reaction came against the Administration's sending of FBI agents to rout out reporters and question them at 3 o'clock in the morning (the hour for calls by the Soviet secret police) to obtain evidence against steel companies whose officers the reporters had interviewed. Many accused the Attorney General of "police state" methods. The Washington *Evening Star* editorialized: "[This power] should never be used as an instrument of retaliation by an outraged President or an enraged Attorney General."

This incident touched to the quick a Washington working press already sensitive to recent charges it had succumbed to the "snow job" of the Kennedy Administration. (See last week's HUMAN EVENTS, which quoted charges from *U. S. News & World Report* and from Representative Bob Wilson's speech on the House floor.)

Many readers have been writing in, scoring the press for failure to ask critical questions of the President during his fiery attack on U. S. Steel at a press conference.

Critical sentiment about the Washington press is growing and is worrying many newspaper correspondents in the Capital. Noteworthy on this score was the statement of Representative Earl Wilson (R.-Ind.) who charged on April 16 in the House that Washington newspapermen are not telling the truth about the Kennedy Administration. But Wilson did not blame the press. "They are simply reacting to the policies of coercion, intimidation and pressure from Administration officials."

Washington reporters have told HUMAN EVENTS that this is largely true. One such scribe—serving a chain outspokenly critical of the Administration—said he can't get ordinary factual information from the White House, presumably because of retaliation. "They won't answer my phone calls."

Another said it's partly the fault of the publishers who want their Capital correspondents to solicit favors from the White House: such things as appointments with the President for their big advertisers, Presidential congratulations upon an anniversary, a testimonial for the newspaper's civic program, etc. Once having accepted favors, the publishers' Washington reporters are then in a weak position to run stories the White House dislikes.

DAR Speech: In what many believe to be his toughest anti-Communist address since retiring last year, former Chief of Naval Operations Admiral Arleigh Burke stood foursquare against any form of Cold War appeasement when speaking to the convention of the Daughters of the American Revolution.

Perhaps with the recently released *Liberal Papers* in mind, Admiral Burke stated: "It must be abundantly clear by now to even the most ardent pacifist that our great nation is engaged in a struggle whose outcome will determine whether the peoples of the world will live in freedom or abject slavery."

Burke strongly hinted that the US is following a no-win Cold War policy of confusion, warning that "our sights must be fixed on unmistakable victory."

The Admiral claimed we rely too much on "a UN that can only be a forum" and called upon the nation to reassert its leadership in world affairs. He warned that we too often sacrifice the best political and economic interests of the United States in courting favor with certain countries.

"Thus," the tough sailor continued, "we engage in a policy of do-goodism and sometimes work against our own interests before an assemblage of nations that can find us at most amusing and at worst irresponsible."

Geneva Disarmament Plan: Last week top US negotiators at Geneva unveiled a disarmament treaty which would have the United States surrender its sovereignty to a UN police force. The three stage plan, whose first two stages call for abolition of our nuclear delivery systems, would abolish our national army within a decade.

Despite the President's nation-wide broadcast March 2 stating the US could no longer trust the Soviets since they broke the test-ban moratorium, the plan, according to a UPI reporter in Geneva, calls for our "agreeing to accept Russia's word on the amount of arms and troops" they would have at the "start of disarmament."

The Daughters of the American Revolution, obviously alarmed at the goings-on at Geneva, passed a resolution opposing participation in any disarmament agreement at their meeting here in Washington, the same day the plan was unveiled.

The plan to abolish American armies and hand over this nation to a motley group of countries—now led by the pro-Soviet Acting Secretary General, U Thant—has focused the spotlight once again on the Democratic bible of appeasement, *The*

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Liberal Papers, which calls for disarmament proposals similar to the ones presented at Geneva.

A top consultant to the *Papers*, Marcus Raskin, is on the National Security Council staff and is now over in Geneva working on disarmament proposals. (See HUMAN EVENTS, April 14, page 257.) As a result of Raskin's link with *The Liberal Papers*, the GOP has decided to slam away at this liberal bible right through the November elections.

Leading a group of ten GOP Representatives in denouncing the book chapter by chapter, Vermont's Robert T. Stafford told the House last week that "Democratic congressmen of the Liberal Project [the group sponsoring the *Papers*] have been running like rabbits away from this synthesis of deliberation."

After Stafford noted that the White House cultural coordinator had favorably reviewed the *Papers* for the New York *Times*, Representative Clark MacGregor of Minnesota called upon the President to make known his views on the book.

More Muzzling: The Stennis subcommittee investigating muzzling of anti-Communist military speeches last week heard from a Naval officer how a seminar program in the Midwest was stopped last spring after the anti-seminar Fulbright memorandum was sent to President Kennedy and Defense Secretary McNamara.

Lieutenant Commander Frank Wadsworth told how a chief petty officer and two first class petty officers at Great Lakes Naval Training Center, at their own expense, conducted seminars in high schools, men's clubs and American Legion meetings in the area surrounding Chicago and in Wisconsin and Iowa.

But after Fulbright's attack on the anti-Communist programs, the commanding officer at Great Lakes was informed by the Pentagon that it was "basically inappropriate" for any of his men to conduct the seminars and that the military should "use utmost discretion" in talking about communism.

The C. O. felt obliged to ask the men to discontinue their seminars, and they have not been given permission to reconvene them.

The UN Bond Issue: Congressmen are becoming increasingly worried that the United States passage of the UN bond issue might result in disastrous consequences for the pro-Western province of Katanga, now being pressured into giving up its sovereignty to the Congolese central government.

Reports in *Newsweek* and the New York *Times* that the UN, once funds are provided by the purchase of the bond issue, will consider launching a final assault against Katanga, have yet to be denied by the UN. Moreover, with the views of the Acting Secretary General of the UN, U Thant, having now come to light, many GOP House members (receiving heavy anti-bond mail) remain firmly convinced the UN is nothing but a Red Trojan horse.

What has made the hackles rise on these lawmakers is the revelation of the April 11, 1958, speech delivered by U Thant to the American Academy of Political and Social Science in Philadelphia. Excerpts from that speech follow:

"Fear of Soviet communism has led the United States and those who follow her lead, to take a distorted view of the world situation . . .

"The US policy toward China is unreal . . . The reason behind the US attitude toward China is the contention that Communist China is bent on world domination. I find it difficult to understand this attitude when military force is neither in use nor immediately in prospect . . .

"[In judging the Soviet Union] the relevant consideration is that, unlike Nazi Germany, the Soviet Union did not compel by actual military invasion any of its neighbors to become satellites."

• In a little publicized speech last week, Representative James B. Utt (R.-Calif.) attacked the left-wing record of Dr. Ralph Bunche, America's highest ranking employe in the UN Secretariat. Utt's speech was considered a courageous one, since most congressmen have not dared to criticize Bunche for fear of being branded anti-Negro.

Utt's remarks were, however, thoroughly documented and undoubtedly telling. Senator Jacob Javits (R.-N.Y.), while claiming to be a friend of Bunche, publicly announced on the Senate floor he was writing Bunche and asking him to reply to the charges leveled against him by Utt.

Rostow Again: The revelation by the New York *Times* last week that the National Security Council, the highest strategic policy-making body in the US, is in the process of officially ratifying a 300-page defense policy document (shaped by State Department official Walt Whitman Rostow) sent chills down more than one spine last week.

The Rostow document, which would make it official policy that the US will never launch the first blow and use nuclear weapons only after a massive assault by Russia on Europe, comes on the heels of reports by HUMAN EVENTS that certain weapons were struck from the Defense budget both last year and this year as a result of talks between Rostow and Soviet officials in Moscow. (See HUMAN EVENTS, April 14, page 275.)

The report of these talks, scored by Republican members of the House Armed Service Committee on the House floor recently, takes on grave importance in the light of this new document which probably will be adopted as official policy. Representative Melvin Laird (R.-Wis.), a member of the House Appropriations Committee, charged the Rostow policy "weakens our defense position" around the globe.

The Rostow thesis, allegedly designed to put the Russians in a disarmament mood, effectively

REVEREND HOWARD J. LANDES, Congregational Christian Church, Farmland, Indiana: "HUMAN EVENTS is my most dependable and valued periodical in its field."

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whittles the nuclear big stick the President can use against the Russians in diplomatic negotiations down to a small twig. It strikes a severe blow at the policy of "credible deterrence"—that is, a defense policy which has the Russians believing we will use our nuclear fist. According to military sources, Defense Secretary McNamara's assistant, Paul Nitze, who plays a major role in shaping our defense strategy, also helped formulate the Rostow thesis.

The Ball Report: The hitherto secret Ball report finally has come into full view. Representative Steven B. Derounian (R.-N.Y.) revealed to reporters in a recent press conference this startling document which outlines in lurid detail how the West should expand trade with the Communist enemy.

Written by Under Secretary of State George W. Ball over a year ago, the report calls for a gutting of a battery of laws which have been fashioned to block trade with the enemy. As revealed by HUMAN EVENTS (March 17, page 181), it calls for a "positive response" to Khrushchev's trade overtures.

The report, Derounian said, "follows the line laid down by the Americans for Democratic Action and *The Liberal Papers* . . . It practically wrote H.R. 9900 [the Administration's trade bill]."

Derounian charged that Ball, who will be "major domo" for the entire trade bill if it passes, was less than candid about desires to expand trade with Russia. When asked by Derounian before the House Ways and Means Committee in March if "we should have increased trade with Communist-bloc countries," Ball answered, "No, I have never advocated that."

As a result of the full disclosure of the report, Republicans say they will try to put trade restrictions against Soviet countries in the bill either in committee or when it comes to the House floor. The GOP is afraid, however, it will come to the floor under a closed rule, meaning no floor amendments can be offered.

Government by Fury: Political observers on Capitol Hill are highly disturbed over Kennedy's recent attempts to govern the country by "furious fits of temper" instead of through calm reason and sound judgment.

As a result of his "fury" with U. S. Steel for announcing it would hike prices $6 a ton, the President sicked a host of government agencies on the industry with punitive action in mind. But the outcome of this act, observers say, has sent shudders through the business community from which it may take a long time to recover.

Moreover, in another vent of spleen last week, the President, as described by the wire services, was "furious" when Bonn leaked America's plan for a Berlin "solution." The plan was anathema to Germany (and France) since it would increase the prestige of East Germany, called for no eventual German reunification and would deprive West Germany of nuclear weapons.

What GOP congressional lawmakers find equally as disturbing as the President's distemper in all of these things are the objects of his wrath: the steel industry for obeying the law of the free market and our friend, West Germany, for leaking the fact that Kennedy is ready to sell out that country's sovereignty right under Adenauer's nose. Yet he found no words of fury for Castro and his inhuman ransoming of Cuban prisoners.

Capitol Camera: A current Washington quip is that Teddy Kennedy is writing a book called *How to Succeed at Harvard Without Really Trying.*

• *Democrats in Georgetown, South Carolina, were so amazed last week that a Republican had been elected city councilman—the first since Reconstruction—that they demanded a recount. The recount showed the Republican an even bigger winner!*

• Amid protests to Washington about Kennedy's blitz, prominent is one point similar to that made by the Texas Manufacturers Association, which said that JFK should have found fault with the unions as "the first offender in the pyramiding practice of wage-price increases rather than the party who, in self-protection, finds it necessary to increase his intake in order to meet the added cost forced upon him by the other party."

• *The New York* Daily News *reports that last week the absent Senator Barry Goldwater (who addressed the group the previous day) received as much applause from the Republican Women's Conference when his name was mentioned as did Nelson Rockefeller when the latter rose to speak.*

• The Administration estimates that its medicare bill (the King-Anderson bill) will cost $1.1 billion for the first year. But the Health Insurance Association of America estimates it would cost something like twice that and by 1983 the plan would cost $5.4 billion annually—even if no new benefits were added to the already limited proposal.

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--- COMMENTARY ---

Any system of government that offers the same rewards to the man who loafs as to the man who works is going to kill the greatest force that has made the United States the country the whole world envies.

—Coronet

Vol. XIX, No. 17—Section II

April 28, 1962

Ohio YAF Plans Giant Rally

By FULTON LEWIS, JR.

LATE LAST FALL, the Communist Party, USA, dispatched one of its leading lights on an all-important Midwest jaunt. He was Mortimer Daniel Rubin, a member of the party's National Committee, as well as being National Youth Director.

Rubin's task was simple: to discredit as "Fascist" the national youth group, Young Americans for Freedom, in general, and its Ohio leadership in particular.

One of Rubin's first stops was the sleepy Ohio town of Yellow Springs, home of Antioch College, a school long known for its campus radicalism. The Young Progressives of Ohio were strong there a dozen years ago. Active now are the Marxist Discussion Club and the Fair Play for Cuba Committee. Speakers in the past year have included such noted Communists as Herbert Aptheker, Frank Wilkinson and Anthony Krchmarek.

Rubin spoke on campus under auspices of the Socialist Discussion Club (whose leaders recently changed its name to Marxist Discussion Club). His topic: "The Conservative Threat to Youth."

Under bitter attack came Young Americans for Freedom. It was, Rubin said, "anti-Negro, anti-Semitic, anti-Catholic." It represented the chief Fascist threat to America.

The charges are false and, of course, ludicrous, but Rubin aired them again and again on his Ohio tour.

THAT RUBIN should have touched down first at Antioch is not unexpected. Despite its radical reputation, Antioch is the home of Ohio YAF and has in recent years produced a hardy band of young conservatives who successfully challenge the liberal orthodoxy.

Under the leadership of a 19-year-old sophomore from Canaan, New York, the rightist rebels have met the liberal forces head-on. The student is David Coldren, founder of his school's prospering Young Republican Club and chairman of YAF Ohio.

The right-wingers bring to their campus politicians like Bob Taft, Jr., and Representative John M. Ashbrook of Ohio; rightist intellectuals like William F. Buckley, Jr., Dr. Robert Morris and M. Stanton Evans. The students publish a sprightly newsletter and challenge the prevailing campus opinion on recognition of Red China, disarmament and the nature of Castro Cuba.

Under Coldren's direction similar groups have sprung up throughout the state. In little more than six months he has organized chapters at 18 Ohio colleges. Coldren finds strong right-wing sentiment at the following schools: Ohio State, Miami, Kenyon, Ohio Northern, Ohio University, Xavier, the University of Cincinnati, and others.

RUBIN

COLDREN

In many Ohio towns and cities, local YAF chapters have been formed by young men and women of post-college age. And in a half-dozen communities, YAF chapters are found in high schools. In Westerville, Beavercreek, Arlington, Gates Falls and Cleveland, high school YAF groups are making substantial progress.

Response to YAF Ohio has been great. Former Ohio Senator John Bricker, Republican candidate for Vice President in 1944, is proud to be an advisor to the group. So is Representative Clarence J. Brown, dean of the Buckeye State's GOP House delegation, and Representatives Ashbrook and Frank T. Bow. State Senator Charles Fry, Republican candidate for the US Senate, is another YAF backer.

On June 3, YAF Ohio plans a massive conservative rally at Columbus' Veterans Hall. More than 4,000 Buckeyes are expected to pack the hall to hear former FBI counterspy Herbert Philbrick, Senators Strom Thurmond and Frank J. Lausche, Representative Ashbrook and M. Stanton Evans, editor of the Indianapolis *News*.

A main purpose of the rally is to kick off Ohio's 1962 Young Conservatives Campaign Drive. Freshman Representative Donald C. Bruce reports that the hard work of youthful rightists made the difference in his election two years ago. Texas' John G. Tower, first popularly elected Republican Senator from the Lone Star State in this century, tells the same story.

Unorganized now are thousands of young Ohio conservatives—in and out of college, anxious to learn the brick-and-mortar work that is the foundation of practical politics. YAF Ohio intends to teach them just that. And conservatives everywhere can express their gratitude.

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New Farm Yardstick Needed

From the Washington Daily News

Doorbell ringer Sam Lubell's recent articles on the farm problem spotlight important facts rarely mentioned in the endless farm debate in Washington.

Most farmers interviewed by Sam in 14 states in the past two months told him they could produce corn for less than 80 cents and wheat for under $1.25 a bushel. The government price supports on these two grains are $1.50 and $2 a bushel, respectively. Thus, as against the cost of production cited, those price supports mean guaranteed profits of 50 per cent on corn and 60 per cent on wheat.

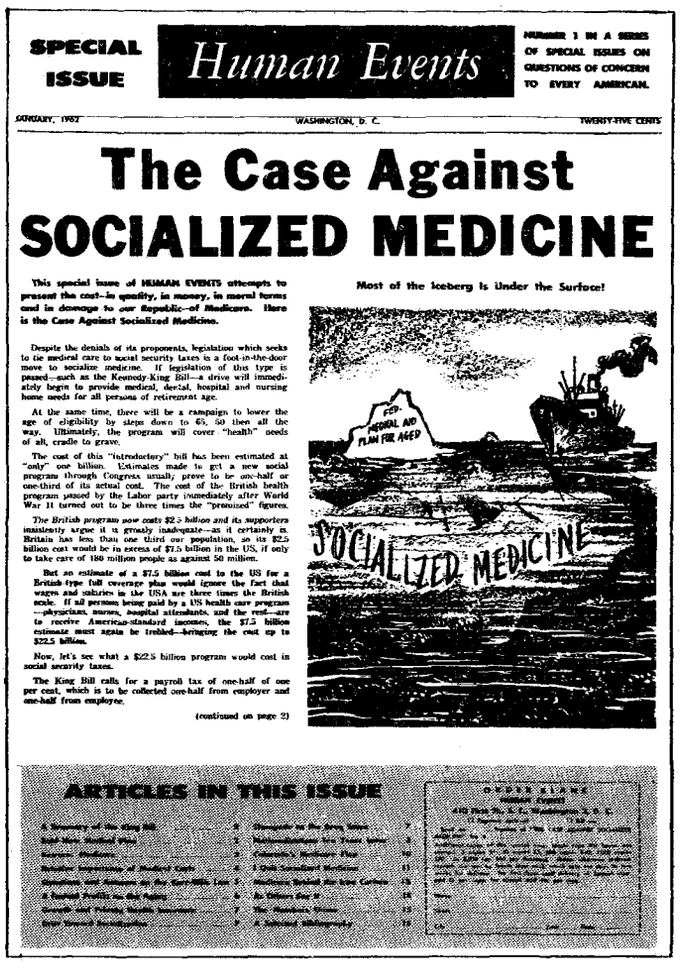
No wonder, with such an incentive, the farmers counter acreage reduction programs by simply pouring on more fertilizer to get greater yields on the acres that can be planted. Or, as in the case of one Idaho farmer, they prepare to spend $50 to $80 an acre to irrigate arable land. It's worth it.

All of which seems to point to the fact—almost totally ignored in the current farm debate—that existing farm price supports, except for the ever-decreasing marginal farms, are unrealistically high, spurring production above what is needed and adding billions in costs to the farm program.

And certainly if the politicians now in power insist on maintaining the existing high price supports, the situation calls for controls on per-bushel production—not just acres. Some mild proposals along this line have been advanced, but there's apparently little steam behind them.

There can be little serious advocacy of discontinuing a government farm program. With surpluses running out our ears, farm prices in a completely free market would hit the floor and financial disaster would ensue. But, as Mr. Lubell summed up, a new yardstick is greatly needed to measure how well off or how hard-pressed the farmer really is, so that a sensible program can be evolved.

WORTH REPEATING—"The world has known 21 civilizations, and 18 of these have already passed away because their people lost faith in the underlying principles of their society or strayed from these principles in the pursuit of personal pleasures or simply didn't have the courage to use national power to protect their way of life from internal subversion and external aggression." (*L. C. Michelon in his book, Communism—What It Means—How It Works*)



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Imports and Jobs

By Congressman Noah M. Mason (R.-Ill.)

Walter J. Campbell, the editor of *Steel Magazine*, appearing on Dean Manion's Forum of the Air, gave the following facts and figures that should be of interest to all Americans, especially to all American workers:

1. American metal workers constitute 43 per cent of all manufacturing employment in the country. Their gross sales last year were $145 billion. When metal workers prosper, we all prosper. When that industry feels the bite of foreign competition, we all feel the bite.

Today we are losing our export sales of metal products and also our American sales because of increasing imports of metal products. Loss of exports of metal products and the rising tide of imports—unless checked—will soon change the United States into a "have not" and a "has been" nation.

2. We now import five times as much steel as we did three years ago—4½ million tons—and we export only one-fourth as many tons of steel as we did three years ago.

3. In 1953 we imported 16 million pounds of bolts, nuts, rivets and screws—"fasteners" is the trade name. In 1959 we imported 70 million pounds. Figures now show that in 1960 we imported 218 million pounds of "fasteners."

4. Machine tools are the master tools of industry. They are the tools that cut and form metal. Without machine tools we could not have autos, refrigerators, weapons of defense, etc.

After World War II—largely with American aid—European nations established modern machine tool plants. These new modern machine tool plants in Europe have taken over a large part of our markets abroad and have made considerable inroads into our American markets. So—half of our machine tool builders have established machine tool plants abroad to take advantage of the cheap labor there. That means a lot of jobs for machine tool workers have been exported abroad.

5. Our watch industry has practically disappeared during the last 25 years. Only three—Elgin, Hamilton, and Waltham—are left.

Why are jobs going abroad? The answer is the great disparity in labor costs between European and American labor. Skilled labor in Europe costs about one-third what American labor gets on an hourly basis.

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Red Spies in Britain

From the New York Daily News

Ever since a couple of British civil servants were caught spying for Soviet Russia a year or so ago, a committee headed by the respected Lord Radcliffe has been investigating the British civil service.

The Radcliffe group now reports that Communists have been concentrating, with much success, on working their way into unions of civil service workers.

This, says the committee, is a serious threat to British security, and matters are made worse by a "general lack of conviction that any substantial threat exists to security."

In other words, many Englishmen have not yet grasped the fact that communism is not just another political movement, and is a world-wide criminal conspiracy aimed at enslaving the entire human race.

For the United Kingdom's sake, we hope the British will act with their customary though sometimes belated vigor in crushing this menace to their national safety.

We also hope the Radcliffe findings will wake up some Americans to the fact that the US Communist party is a small, tightly-organized, rigidly-disciplined gang of spies and traitors bent on the ruin of this nation and the massacre of millions of our people.

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Requiem for a City

The Steel Capital in Crisis

By THEODORE L. HUMES

Research Economist and Lecturer in Economics

THE CITY OF PITTSBURGH is typified by its famed "Golden Triangle" where the Allegheny and Monongahela Rivers converge to form the meandering Ohio. At the confluence is the Point dotted by gleaming stainless steel office buildings and the Pittsburgh Hilton, all standing out in the clean atmosphere of the New Renaissance. Behind this Potemkin village, however, is a picture of economic stagnation and the terrifying reality of a great metropolitan center disintegrating and eroding bit by bit.

Pittsburgh is now the only major city in the country still classified as a Class "E" labor-surplus area. (This means 9 to 12 per cent unemployment.) Pittsburgh has the dubious distinction of having a "substantial and persistent" unemployment designation from the United States Department of Labor.

Since the end of World War II, almost 200 large, medium and small industrial facilities and merchandising operations have left the district, and with them an estimated 50,000 jobs. This, combined with the failure of the district to attract its fair share of new plants, has resulted in the present unemployment of 100,000 persons.

Downtown Pittsburgh is characterized by an unusually high incidence of building and shop vacancies. Landmark restaurants are disappearing and the few remaining ones are not making a profit to speak of.

Judging from recent events, the situation is bound to become more aggravated as a number of important employers, locked in the bitter antagonisms and frustrations of labor union difficulty, seriously contemplate shutting down or moving their respective plants.

The city's "showplace," Civic Auditorium, with its highly publicized retractable steel roof, has in its short existence become the graveyard for a number of theatrical enterprises and trade exhibitions as a result of incredible jurisdictional squabbles, featherbedding and union violence. A 22-day jurisdictional strike when the auditorium was completed added to building costs and resulted in a costly cancellation of the planned grand opening. After the opening, jurisdictional problems continued.

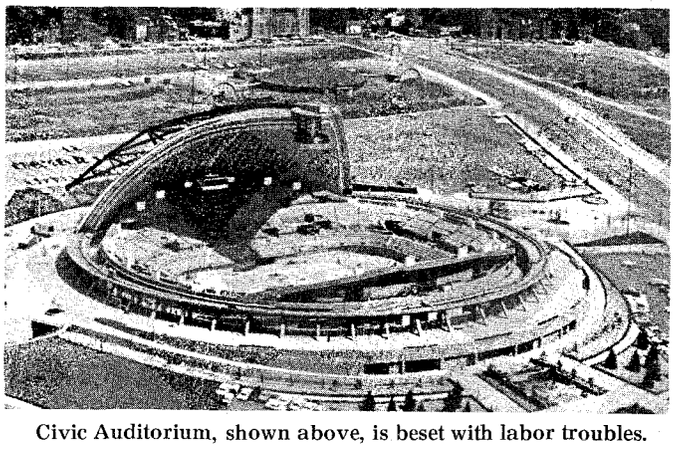
Chairman Roger Blough of the U. S. Steel Company summarized them this way in a recent speech: "Several stagehand and ticket sellers' locals objected to the building service employes' union having jurisdiction over certain personnel; the electricians' union demanded that a stand-by electrician be assigned to each ten stagehands; a disagreement arose between two locals regarding the jurisdiction of employes in the concession stands; the auditorium was later picketed three days prior to the opening by stage employes who claimed they were entitled to work assigned to building service employes. In October [1961] there was a disagreement as to who would lower ceiling lights for focusing; during the Homes Show, exhibitors complained that union representatives forced them to hire unnecessary labor and threatened them with closing the exhibits; an exhibitor complained that he had to hire plumbers to uncrate and set in place kitchen and bathroom fixtures which were only to be used for exhibition purposes; exhibitors were not even permitted to sweep their own display areas; they were told by maintenance people, 'If you sweep you will have a picket line around the booth.'"

The Pittsburgh Hornet ice hockey team was forced to put an electrician into the penalty box, contrary to league rules. And the owner of the ice show said that Pittsburgh is the first city in the show's 26-year history in which the show has been affected by a labor dispute. As the result of these actions, this magnificent civic project has experienced serious operating deficits.

Recently, employes of the Superior Steel Company in nearby Carnegie voted to close down the plant rather than agree to a reduction of jobs and modification of work rules. Four hundred jobs went down the drain in a community which, only a month before, had lost another fabricating plant employing 200.

Seven operating engineers have succeeded in shutting down the C. G. Hussey Company on the Southside, resulting in a layoff of 550 men. Even after the dispute was settled, the company was not certain it could competitively remain in the area.

Eleven hundred employes of the huge Allis-Chalmers plant on the Northside were called out by the parent United Auto Workers Union in a totally unnecessary strike involving the timing of pay increases. The plant is a marginal operation at best and Allis-Chalmers had been giving consideration to consolidating operations of this electrical transformer unit to other locations—even before the strike began.



Civic Auditorium, shown above, is beset with labor troubles.

THE SITUATION is a tragic one. Many responsible individuals and groups have devoted considerable time to create a better business climate and reverse this declining trend, but to no avail.

The head of Pittsburgh's Regional Industrial Development Conference Board recently resigned in abject futility with the admonition that labor union militancy not only prevents industry from coming into the area but is jeopardizing the facilities that remain. After decades

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of labor union subservience, the city's Democratic administration is unwilling or unable to restrain the excesses of the labor union immoderates.

Pittsburgh is perhaps the only municipality in the country which sets the pace for wages of trades people employed by private industry in the area instead of vice versa. Its strong labor-influenced city hall has, with monotonous regularity, granted prodigious

Pittsburgh's famed "Golden Triangle," seen from the air.

wage increases to unionized city employes until one now finds the once lowly bricklayer drawing $9,880 a year, heavy equipment operators making $9,724, and electricians earning more than $10,000 annually.

Its citizens have become accustomed to seeing unorganized firemen picketing the City-Council Building downtown since last Christmas in a vain attempt to secure a wage increase which will at least put them on par with the city's dump and refuse truck drivers ($7,000 per annum). The fact that private building activity is sporadic and subject to the vagaries of the free market does not affect the thinking of the formidable union-political machine.

While firemen (and policemen) who are engaged in traditional governmental activities are on the bottom of the wage totem pole, the city and county's burgeoning urban planning departments have an estimated 75 "planners" earning from $7,000 to $15,000 annually, and more are being hired to cope with the various Federal spending activities in which the city is enmeshed.

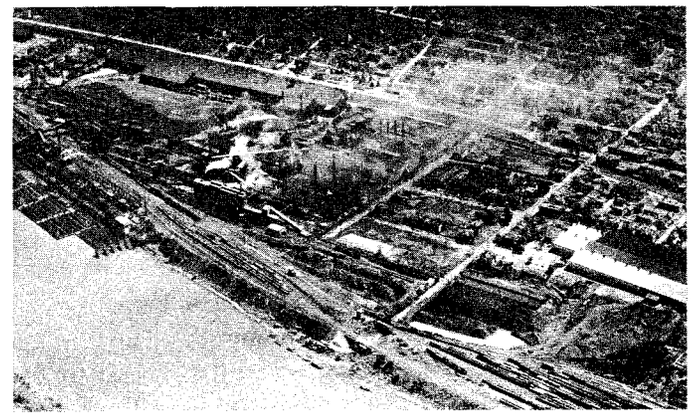
THIS IS NOT LOYALTY—but treason to the trade union principle. A movement that started with the intention of championing the freedom of its members is using the power it has now to curtail that freedom and destroy a mighty American city. Instead of building up the strength of the industry to which it is attached, it is destroying it.

Under industry-wide agreement, the wage scale of the most prosperous company tends to be forced on all companies in a given field. Faced with the necessity of paying what is for them an uneconomic wage, the small, weak companies must sell out, "merge" or go out of business as many Pittsburgh institutions have done.

There is a moral here for every community in America: Plagued by the cost-price squeeze, excessive union demands and vigorous foreign competition, industries may be pushed at the peril of their own (the community's) economic well being.

There is no prospect of relief from this situation until the American people and their elected representatives understand the nature of the threat to freedom posed by the labor union monopoly. This condition is based upon labor's iron hold on the membership and its immunity from laws that govern other citizens and organizations of our communities.

Of compelling importance is the need for correcting a potentially ruinous situation in which ambitious labor leaders vie with each other to set personal records of accomplishment without regard to the effect upon the economy of the nation. Recently it was the 25-hour week in New York. David McDonald (under an illusion that the beleaguered steel industry is still a bottomless source of wage increases) has said his steelworkers' union seeks "only an equitable share of the industry's profits." What does that leave Reuther, Carey, Hoffa, *et al.*?



Steel mills, like this Jones & Laughlin plant, hummed a decade ago.

A practical program of obvious remedies for intolerable abuses of labor's powers of collective action involves: 1) The creation and exercise of monopoly powers by labor unions should be made unlawful. 2) Compulsory unionism, a form of involuntary servitude, should be abolished by law. (This is a duty of Congress under the Thirteenth Amendment.) 3) The right to strike should be qualified and limited by defining the lawful objects, the lawful methods and the lawful occasions for strikes. (Unfortunately this is unlikely to come in time to save Pittsburgh.)

Unless and until enlightened labor union leadership takes appropriate action to clean house, it will awaken someday to find that it has destroyed the industries and with them the livelihoods of a majority of the workers. The consequences can only be the massive injection of Federal funds to aid and promote public works and sustain the unemployed, and Federal underwriting of every conceivable municipal undertaking in the city. Pittsburgh is rapidly on its way to becoming America's first Federal Satellite City.

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How 'Undemocratic' Is the Poll Tax?

By FREDERIC NELSON

IN A GOOD MANY ISSUES I can get as hopped up as the next fellow, but for years I have been baffled by the emotion that can be generated in so many people by the poll tax. This obsolescent institution, which persists in only five states (at any rate as a requirement for voting), has been attacked by its opponents with considerably more vehemence than the same people display when confronted by the tyrannies of the Red Empire.

The beard-and-sandal variety of picketers never omit the "Vicious Poll Tax" from their assortment of placards, no matter what "iniquity" they are against at the moment. One would think a man who has to pay a dollar or two for the privilege of voting his state or nation into bankruptcy has been boiled in oil, starved in a sweat box or barred from Washington's Cosmos Club. You might even think that, like the people of Castro's Cuba, he had been denied the right to vote at all! Anyway, the issue is up to the states to decide!

When I became a voter, in Connecticut a long time ago, I paid a poll tax of one dollar, and also read a few lines from the Declaration of Independence to show that I could at least read the names of the candidates for first selectman. I don't recall feeling humiliated or oppressed by either experience. If I reacted at all, it was with some pride that I had joined the responsible citizens of the town and could take part in its proceedings, even asking a question in town meeting if I could summon the nerve.

In the annual report for the Maine village where I go in the summer, I note among taxes received a number of $3 items described as "poll." The names of those who didn't pay the poll tax are listed among tax delinquents! I gather from recent senatorial colloquies a poll tax delinquent in Maine may vote, but he cannot get a license to drive his automobile. Even the "reactionary" South probably wouldn't dare go that far!

CURIOUSLY ENOUGH the only Senator, as far as I know, to get to the heart of the poll tax issue in the recent earth-shaking debate was the great liberal, J. William Fulbright of Arkansas. Maybe if Senator Fulbright represented New York, instead of Arkansas (a poll tax state), he would have made arguments as bizarre as those advanced by Senators Javits and Keating of New York against poll taxes and literacy tests.

Nevertheless, on the record, Senator Fulbright, while denying that the poll tax had deprived any significant number of people of the right to vote, said that if its abolition was being urged "because there is a large participation and more people vote, thereby there is a higher quality of representatives and senators and governors, I would like to see the Senator demonstrate it, because I do not follow that point and I do not believe it."

The Senator went further and pointed out that Hitler managed to get out 90 per cent-plus of the vote, with less than sensational results as a triumph of democracy. This seems not to have occurred to the well-meaning people who before every election exhort people to vote —not for this or that candidate or cause, just vote. Some go as far as to urge that failure to vote be made a penal offense, as if rattling handcuffs in a man's face was a reasonable means of persuading him to take a lofty view of the First Duty of American Citizenship.

During the 1960 debate on this subject, the Senator from Arkansas elaborated on his theme thus: "I have no doubt that, if the pending proposal shall be enacted, in a crucial election in the years to come in New York, where there is a fairly even division of the parties, a couple of hundred thousand of our less well-informed citizens might be corralled by a Federal referee in order to win an election. Such things have been done before."

And surely something similar has been done since, as can be testified to by anyone familiar with the way the purchasable and "less well-informed" voters were manipulated in Chicago, Philadelphia and New York City in the 1960 election.

Back in 1943 Representative Gibson of Georgia took off after the enemies of the poll tax in terms that recall the flavor of Webster's reply to Hayne:

"When I think of the political corruption of the City of New York and then think of one of its own presuming to say to the God-fearing, liberty-loving people of Georgia what they may do, I am brought to where I must stop or I will use language that would be far beneath the dignity of this floor."

Even if Mr. Gibson had proceeded to unparliamentary lengths, he would have had a hard time matching the nonsense and sheer billingsgate which has characterized the utterances of opponents of the poll tax. A year after Mr. Gibson's eloquent defense of his state, an outfit called the National Committee to Abolish the Poll Tax came up with this one:

"The war is still on. Our soldiers are still in foxholes fighting for the right to vote. Ten million Southern Americans are still working for victory but are denied the right to vote."

OBVIOUSLY NOBODY was "denied the right to vote." In the toughest poll tax state, all the would-be voter needed was the price of a Class B movie or a sum somewhat less than a soldier might have lost in a crap game, and he was in. The New York *Times* raised the horrid possibility that, if the states were permitted to levy a poll tax of a dollar or two, they could "impose one of several hundred dollars, or even several thousand dollars." So they could, but they haven't. Another friend of democracy declared that there was no more justification for requiring payment of poll tax in order to vote than to restrict the right to vote to people with red hair or those over 100 years old!

In *The Case for the South* (1960, Devin-Adair), an excellent defense of the Southern position in general, written by William D. Workman, the author declares that "no case can be made out for a denial of that right [the right to vote] to any citizen who meets the requirements set forth by impersonal, impartial and color-blind law. In truth the refusal to permit Negroes to vote is in substantial measure an admission of incapacity to out-maneuver them in the give-and-take of political warfare. It is a sort of admission that without chicanery the white people cannot exercise their own suffrage in sufficient concert and with sufficient acumen to carry the day in their own behalf, if an issue resolve itself into a matter of purely racial appeal. If, as will be argued, the Negroes will vote as a bloc when it is to their racial advantage to do so—then there is nothing to keep the whites from voting as a bloc."

But the poll tax, as a means of preventing Negroes

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from voting, is not mentioned by Mr. Workman. At any rate it isn't in the index. It is hard to believe that it makes much difference. Senator Fulbright reported that "last year 66,970 Negroes in Arkansas qualified to vote by paying the poll tax. Nothing prevented this number from being substantially higher other than failure to pay the small sum of one dollar per person for the privilege of exercising the highest duty of citizenship. . . . It is inconceivable that a $1 tax is such an overwhelming obstacle that it discourages interested citizens of any color or race from qualifying to vote. This amount would not even keep a smoker in cigarettes for a week, and it is infinitesimal when compared to the amounts exacted from individuals by the Federal, state and local governments in other taxes."

Senator Kenneth Keating of New York seemed more concerned with the evils of literacy tests than with the poll tax. He declared in the recent debate that "a ban on arbitrary literacy tests by statute, however, is not only proper but essential to carry out the guarantee of the 15th Amendment against racial discrimination in voting." This sounds like one of the most virulent attacks on the Negro race that has come from a Senator since the days of Ben Tillman. And from a Republican, too!

The suggestion that New York Negroes could not pass a literacy test comes strangely from the lips of a Northerner, who, incidentally, did not explain why New York could not repeal its own literacy test, leaving the other states to their own devices.

To be sure the determination of our educationists to make reading a lost art does provide the opponents of literacy tests with a pretty good argument. However, with "remedial reading" available almost everywhere, voters above the grade of moron ought to manage enough "literacy" to survive the ordeal.

Although discrimination on racial grounds is evil and on the way out, as it ought to be, the problem which should really perplex us today is not so much how to get more people on the voting lists as how to keep a good many applicants off! The aforementioned scandals in New York, Philadelphia and Chicago demonstrate the force of the Fulbright doubt of the proposition that "the more votes there are, the wiser the decision. . . . There may be something to be said for a smaller electorate."

There certainly is, for the simple reason that the fabric of our society is threatened by the manipulation of "less well-informed" groups, the raw material for the machine politician's success. If the poll tax has deterred a minority of indifferent citizens, color unspecified, to stay away from the polls, so what? The testimony seems to be that the poll tax is more important as a revenue source than as a bar to voting, but no arguments can change the prevailing liberal opinion that the poll tax is a prelude to fascism.

IT IS IRONICAL that the North, where most of the agitation against the poll tax and other allegedly discriminatory devices originates, is now feeling the force of newly-acquired Negro political power. At the moment this is being directed toward efforts to end what is described as school segregation by residential districting. The assumption appears to be that children should be permitted to attend any school, however distant, if the race mixture in their neighborhood school is unsatisfactory.

From the first grade up I attended none but "integrated" schools and I spent a year as a very insignificant member of the faculty of a somewhat integrated college. Therefore I think I can understand the frustration of people who find themselves "outsiders" on account of race. However I don't think these are matters that can be profitably changed by force. This particular solution, of permitting children to leap from school to school according to the latest returns on racial distribution, could cause confusion. For one thing, it is obvious that, if one child may abandon a school which is not sufficiently integrated, another child can do the same thing because his school is "too integrated"—or because the algebra teacher gives too low marks!

Assuming for the sake of argument that this is the wave of the future, such concentration on a purely divisive issue, to the neglect of many with which American citizens ought to be concerned, makes comprehensible the South's reluctance to remove such few restrictions on voting as remain, even if they are largely imaginary and ineffective.

What this country needs is not to add more voters to the rolls but to do something to inspire the ones we have with some understanding of their responsibilities—a task more difficult now that we have largely abolished the representative form of government provided in the Constitution and substituted a sort of government by Gallup Poll.

The result of this metamorphosis is, to quote Ted Lewis in the New York *Daily News*, that "the two major parties pick their Senate choices not on the basis of ability but on vote-pulling power. Are they pretty boys? Do they get over big at the kaffee-klatches tossed by lady politicians? Do they have a name with pulling power?"

Obviously poll taxes would have no effect in barring rich idiots from the polls. Park Avenue anti-anti-Communists and people who march in ban-the-bomb parades and sign advertisements against the House Committee on Un-American Activities usually have an extra dollar to pay a poll tax, although we might count on a small percentage of such characters to refuse to pay the levy and spend election day on hunger strikes in jail. Nor would literacy tests or property qualifications get rid of deluded intellectuals. The more serious problem seems to be how to keep them out of high government positions!

But society ought to have some defense against swarms of political basket-cases who will be added to the voting lists, as the voting age is reduced, literacy tests abandoned and other screening methods rejected as "undemocratic."

The aim should be to bring about conditions in which, as one of the writers of *The Federalist Papers* put it, "the reason alone of the public ought to control and regulate the government. The passions ought to be controlled and regulated by the government."

Surely there ought to be some means of discriminating in favor of those who are at least 25 per cent concerned, if you'll pardon the expression, with what they can do for their country, and not 100 per cent with what their country can do for them!

Frederic Nelson, former chief editorial writer for *The Saturday Evening Post*, is the author of "Whose Side Are We On Anyway?" (see HUMAN EVENTS, January 27, 1962) and several best-selling HUMAN EVENTS articles on the United States Supreme Court.

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US Socializes South America

By HANS SENNHOLZ, Chairman, Economics Department, Grove City [Pa.] College

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MANY AMERICAN LIBERALS honestly believe that social reforms offer the best defense against world communism. In their recommendations to poor or underdeveloped countries, they urge especially adoption of land ownership reforms, tax reforms and social programs. These reforms are said to distribute national wealth more equally and expand economic production for the needs of the people.

Our South American policies seem to be motivated by these considerations. When, at the beginning of May, President Kennedy announced new grants and credits to Bolivia, he eulogized the Bolivian economic reforms. "Your grand 'revolution,'" he wrote to the Bolivian president, "has opened the road for other countries to follow."

It is interesting to recall that the Socialist government of Bolivia nine years ago confiscated mines, farmlands and other private property. The then Minister of Labor and now Vice President, Juan Lechin, boasted that the Bolivian "agrarian reform" was more radical than that of Red China. The government even imprisoned and expelled thousands of landowners and capitalists.

But instead of plenty this "revolution" has brought hunger to Bolivia. Mineral production, formerly the mainstay of the Bolivian economy, has dropped precipitously. The country is bankrupt, the people are impoverished and radicalized, ready for unadulterated communism.

In a recent message to the Inter-American Economic and Social Conference in Punta del Este, Uruguay, President Kennedy clearly reiterated the liberal position. Speaking about "self-fulfillment" he said:

"For the developing nation, it means careful national planning, the orderly establishment of goals, priorities, and long-range programs. . . . It means full recognition of the right of all the people to share fully in our progress. For there is no place in democratic life for institutions which benefit the few while denying the needs of the many even though the elimination of such institutions may require far-reaching and difficult changes such as land reform and tax reform and a vastly increased emphasis on education and health and housing."

We completely agree with the President that poor countries urgently need social and economic reforms. But the choice of reforms is the paramount problem. Some reforms do improve economic conditions and promote democratic institutions. Others destroy production, initiative and morality, and thus foster the growth of communism.

Good reforms enhance individual freedom and safeguard private property. They set free the inventive genius of men and protect the industrious producer from the greed and envy of shiftless idlers and political pressure groups. South and Central America, indeed, need to be freed of numerous bureaucratic controls and government cartels and monopolies. Suffering seriously from inflations the people of Latin America need monetary stability and fiscal integrity, which foster individual thrift, industry and self-reliance. They are in urgent need of the very policies that made this country free and prosperous.

Bad reforms are government interventions that curtail individual freedom and initiative. They deprive producers of the fruits of their labors and squander their income and property through government doles and handouts. Bad reforms prepare the way for socialism which is the forerunner of communism.

NO ONE CAN DENY that the establishment of government economic plans and economic priorities are essential features of socialism. They are the Socialist substitutes for free markets in which the people are free to follow their own goals and establish their own priorities. Government plans and priorities deprive the people of individual freedom of choice and establish political control over their economy. "National planning" means political planning by planners and inspectors in accordance with their conceptions of fairness, adequacy, and political appeal. It means log-rolling and pressure politics aimed at taking income and wealth from the producers and distributing it among the favorites of the state. As such it destroys production, initiative, and morality.

The quest for land and tax reforms is taken from the armory of socialism. Confiscation of higher incomes and the expropriation of land holdings destroy the very foundation of a free society, private property and individual productivity. They prevent capital formation and accumulation, technological research and development. They cause economic stagnation and poverty and breed statist mentality, which is the mental condition for communism.

It is tragic, indeed, that the United States government exerts its great influence toward bad reforms in Latin America. Through lavish foreign aid spending we finance socialistic schemes and experiments. To meet our conditions for foreign aid the recipient governments are urged to raise income and business taxes, divide large land holdings and distribute the spoils among the populace. We recommend budget deficits and credit expansion as conditions for economic growth. When a government has thus dilapidated its fiscal system and faces currency devaluation, the US government comes to its rescue through foreign aid in the form of gold and foreign exchange reserves. That our currency is weakened thereby, that we are threatened by devaluation and gold payment suspension, unfortunately is ignored by the foreign aid spenders.

Contrary to official American advice and example, the poor peoples of Latin America need lower taxes and sound money, more private capital and initiative. They need no "Alliance for Progress," but an alliance of freedom which is the indispensable condition of progress.

ON GOVERNMENT—"Government never of itself furthered any enterprise, but by the alacrity with which it got out of its way. It does not keep the country free. It did not settle the West. It does not educate. The character inherent in the American people has done all that has been accomplished; and it would have done somewhat more, if the government had not sometimes got in its way." (*Henry David Thoreau*)

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Missions Programs Excel Peace Corps

From the Chattanooga News-Free Press

Since the House of Representatives voted April 3 to double the money and triple the representatives of the Peace Corps in overseas assignments, it is interesting to note a report of one of the well-known but smaller religious denominations on its missionary program, which in some ways parallels the Peace Corps activities.

Church missionaries do educational work and operate school systems in foreign lands; build, maintain and operate hospitals and other medical facilities; give agricultural instruction and aid in farming development for the advancement of backward natives—and preach the Gospel along with these and other activities.

At a time when the Peace Corps had something more than 400 representatives in the field (the number has since grown to 698), it was noted that the Peace Corps was operating on a budget of $30 million.

At the same time, the world missions program of one Protestant denomination had an equal number of missionaries in the field, who were financed by a budget of only $4.5 million—on just 15 per cent of the Peace Corps budget.

Several conclusions may be drawn from such an informal comparison, one being that the American people could accomplish a great deal of good by giving more money individually to the world missions programs of their own churches, thus aiding foreign countries and their people, plus giving the essential, all-important message of the Gospel.

This reminds us once again of the remarks of Senator Albert Gore of Tennessee, a liberal and certainly no opponent of foreign aid and other governmental programs, who said after a survey trip to Africa: The work done in Africa by Christian missionaries "is 100 times more important than government programs."

Solving Unemployment

From the Omaha Evening World-Herald

The editors of the Tulsa *Tribune* had tongue in cheek —or did they?—when they told the story of a man who went to one of the senators from his state and said he wanted a job.

The senator pretended to think a while, as some senators frequently do, and then replied:

"Well, I'll tell you. There aren't any jobs, but here's what I can do. I'll get up a committee to investigate why there are no jobs, and you can be head of the committee at a salary of $10,000 a year."

That's one way to solve the unemployment problem. Another way—and one which isn't so different when you stop to think about it—is to start a crash public works program.

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QUESTION *of the Week*

Q. Is the Communist threat internal or external?

A. "It is neither exclusively internal nor exclusively external. It is both one and the same."—Representative Donald C. Bruce (R.-Ind.).

Q. Is the Communist Party, USA, a political party?

A. "The Communist Party, USA, is an integral part of international communism."—J. Edgar Hoover, Director, Federal Bureau of Investigation.

Q. Can we trust the Communists?

A. "You can trust the Communists to do exactly as they say!"—Dr. Fred Schwarz.

Q. Should we negotiate with Soviet Russia?

A. "The Soviets . . . have entered into more than 1,000 treaties, agreements, and nonaggression pacts with other countries. . . . They have flagrantly broken and violated all of these except a handful which it has suited their purpose to keep."—Representative Gordan H. Scherer (R.-Ohio).

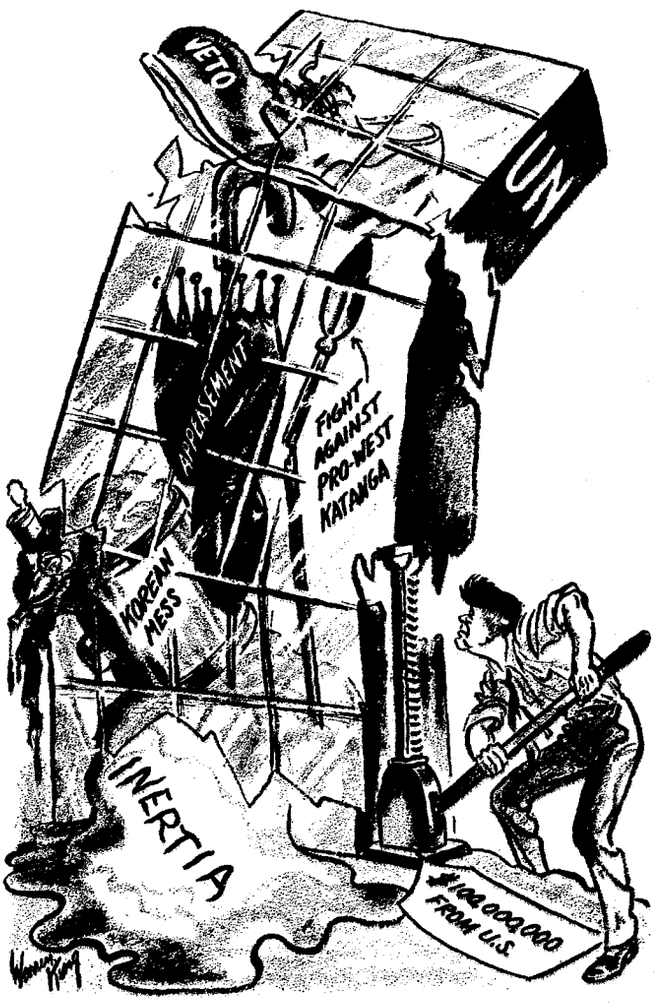
Q. Would it be to our advantage to decrease tensions?

A. "Increase tension; do not decrease it."—Representative Walter H. Judd (R.-Minn.).

Q. Do the Communists believe in peace?

A. Yes—the peace of the grave.

THE HOUSE THAT JACK SUPPORTS



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A Ghost Returns

From the Dallas Morning News

Congressman Wright Patman, dean of the Texas delegation in the House of Representatives, may be blushing over the discovery of a statement attributed to him 34 years ago when he was campaigning for the seat he now holds in Congress.

Sam B. Hall, Jr., a 38-year-old Marshall attorney who is Patman's Democratic primary opponent, has just come across an article which Patman allegedly wrote for the Lamar County *Echo* on July 27, 1928. In the article, Patman, now 68 years old, said: "The door of hope should not be closed in the face of the young manhood of our country by letting our congressmen inherit the office. Why are you educating your boys? Are they not entitled to an equal chance in life? Should there not be room at the top for them? Any congressman who has been in office so long should either try to go higher or get down and give somebody else a chance."

PATMAN

Hall has been making good time with the statement, pointing out that Patman has served in Congress for 34 years, while Eugene Black, his 1928 opponent and the object of Patman's "let-youth-serve" campaign, had been in Congress only 14 years, and was 49 years old at the time.

* * *

(*HUMAN EVENTS Comment: Wright Patman's ACA rating is 21 per cent. Nuf sed!*)

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"I believe the following to be sound principles of personal conduct—and even more sound when applied to government. I shall use them as my code of conduct in reaching legislative decisions.

- You cannot bring about prosperity by discouraging thrift.
- You cannot strengthen the weak by weakening the strong.
- You cannot help the wage earner by pulling down the wage payer.
- You cannot further the brotherhood of man by encouraging class hatred
- You cannot establish sound security on borrowed money.
- You cannot help the poor by discouraging the rich.
- You cannot keep out of trouble by spending more than you earn.
- You cannot build character and courage by taking away man's initiative and independence.
- And above all you cannot help men permanently by doing for them what they could and should do for themselves."

The information, inspiration and impetus necessary to win on platforms like this one will be a central theme of this Conference. Enroll early . . . send coupon below.

Please make reservations at the Fourth HUMAN EVENTS Political Action Conference, July 13 and 14, 1962, for the persons listed below.

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About JFK and Roger Blough—and Bismarck, Hitler and Herman Ullstein

By JAMES L. WICK

"Play ball with the Administration or take the consequences—which we promise you will be serious . . . . The President will hereafter decide the prices you charge, the profits you can make, and the wages you must pay your workers. And, by the way, if you know what is good for you, you will choose chief executive officers pleasing to the White House."

THIS, IN SUBSTANCE, constituted the ultimatum delivered by the White House to the steel companies. The pro-Kennedy New York *Post* (April 15) carried U. S. Steel Chairman Roger Blough's picture on the front page headed, "Will He Resign?" An inside story said:

"In the face of this spotlight on the industry, it's felt that Blough may be asked to quit, even though he is credited with having done a good job for his company—and even though it is realized the price increase decision was not his alone—but the work of many men.

"One Wall Streeter close to the situation put it this way:

" 'Blough's going would have a kind of logic to it. It would symbolize a final peace with the government, a final clearing of the air.' "

New York *Post* columnist Murray Kempton's analysis of JFK's handling of the steel crisis includes the following significant sentence—with no indication of disapproval from the columnist:

"The best inference in Washington is that he [JFK] will not be a sore winner . . . business will find him still friendly so long as it does not cross him again."

Big Business executives will not overlook the calamitous impact of White House displeasure upon Roger Blough, a truck farmer's son who worked his way through school and up into a $283,000-a-year job.

THERE'S A SLOGAN in Washington: "To get along, you must play along." The Lukens Steel Company "played along." Result: It got a 6-million-dollar 11,000-ton order for special steel plate for Polaris-type submarines. Half of that order had been intended for U. S. Steel. "U. S. Steel stockholders, please note," says the accompanying *billet doux* from JFK.

The Bethlehem Steel shipyards sell an important share of their output to one customer, the Defense Department. Bethlehem officials heard Defense Secretary McNamara's threat to reshuffle defense contracts. They read the news of the shift of one-half of the submarine steel contract from U. S. Steel to Lukens. In a flash, Bethlehem cancelled its increase.

Except for the fact that Inland acted first, Kaiser probably would have killed the industry-wide increase by staying out. Price increases cannot be sustained if one major producer holds out. Henry J. Kaiser was once an old reactionary, but he learned from FDR that an industrialist who plays along with the government can get incredibly profitable contracts—costs be hanged.

BLOUGH

Will he have to resign for the good of U. S. Steel, asks The New York Post?

Eric Johnston was another fast learner. Johnston might still be an obscure little manufacturer out in Spokane, Washington, if he had not spotted the possibilities in becoming waterboy to the Man in the White House. Before FDR's third term, government orders were a minor factor in the business world. Industrialists could still speak out without much fear of government retaliation. As a result, the Chamber of Commerce of the United States was uncompromisingly anti-New Deal.

But the defense spending that began in mid-1940 changed many attitudes. Government contracts were becoming attractive. The sharper minds in industry decided that perhaps FDR should be courted instead of shunned.

Eric Johnston led a faction within the Chamber which proclaimed that anti-Rooseveltism was a luxury that business could not afford. On that plank, Johnston was elected to the Chamber presidency. Installed in his new office, he walked across the park to the White House and told the delighted FDR that the Roosevelt-haters had been maneuvered out of the Chamber hierarchy.

Since that day, Eric the Little has done very well for himself. If you want to know how well, pull down your copy of *Who's Who* and scan the list of good things that have come to Eric since that fateful day when, representing the Chamber, he put a White Feather in his lapel and made his way into the White House.

About the Author

James L. Wick, now Executive Publisher of HUMAN EVENTS, made five trips to Germany—in 1950, 1951, 1952, 1953 and 1954. During the longer visits, in 1950 and 1951, his major interest was to study the persistent claims that "the Ruhr industrialists financed Hitler."

Mr. Wick interrogated Chancellor Adenauer and Economics Minister Ludwig Erhard. He talked to American correspondents in Bonn, Frankfort and Berlin. He quizzed German newsmen and German industrialists.

For background, it was necessary to get an understanding of the effects upon business of Bismarck's two achievements: (1) the creation of the first modern welfarist state, and (2) the establishment of a centralized militaristic state.

How did the Big Government conceived by Bismarck grow up to become Omnipotent Government under Hitler? Why didn't business see the menace to itself of Hitler's National Socialist Party? Why didn't the German press resist Hitler?

The answers are given in this article.

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THE SAD TRUTH is that we may be living in a New Era. Those interested mostly in self-preservation should now make the Eric Johnston adjustment to the new circumstances. When the President, catering to the least intelligent portions of the electorate, hereafter makes a declaration as to what is "in the national interest," we now know that he may order the FBI into action at 3 A. M. if need be to get his way. Shrewd corporation chiefs hereafter will bend with the wind unless they are willing within hours to be called before a grand jury convened to prefer criminal charges against them. Jail sentences to one or two foolhardy executives will frighten a thousand others into line. If there should still be holdouts, Internal Revenue agents will harass the offending executives and anti-trust actions will break up the obstinate corporations.

The Philadelphia *Bulletin's* business columnist, J. A. Livingston, concludes his discussion of the steel retreat with this sentence:

"In nakedly directing the awesome power of government at Blough and U. S. Steel, the President left the terrifying impression that in our free society all men have freedom to bow to the will of the President!"

Interesting question: Why should it have taken the steel crisis to drive home these lessons? The current trend could have been foretold by any student of the post-1880 history of the country with the most experience with Big Government—Germany.

OTTO VON BISMARCK, the father of modern Germany, had two ambitions. First, the Iron Chancellor wished to convert Germany from a confederation of weak states into the strongest nation on the continent. To achieve that objective, in 1866 he ordered the Prussian armies to subjugate the lesser southern German states, after which he fought a war against Austria. Victory came in seven weeks. Next, he maneuvered Napoleon III of France into declaring war against Germany in 1870. Victory came in six months. German self-confidence was growing. Adding peacetime conscription to a vast production of modern armaments, Bismarck made Germany the world's No. 1 military power.

BISMARCK

Bismarck's second objective was to keep the aristocrats in control of the new Germany. Remembering the 1848 workers' revolutions in Germany, France, Austria, Hungary and Italy, and the French Commune of 1871, he had laws passed to hobble the Socialist party. Then he wooed the masses by giving them the Socialist programs he thought they wanted. He introduced many welfare programs in the 1880's, notably socialized medicine. He reasoned that the grateful workers would keep the aristocrats in office.

Bismarck's militarism made the government the biggest customer for large areas of industry—particularly basic industries like steel. But the munitions-makers soon learned that political factors, not low costs, determine the placement of government orders. The government can give and the government can withhold.

Before long, the most naive industrialist recognized the necessity of gaining the favor of the party in power. But that innocent industrialist also had to learn Lesson No. 2 if he was to protect his stockholders. To fill armaments orders, a colossal munitions plant investment must first be made which cannot be recovered except over a long period of time. And there is but one customer, the government. The political "outs" of today may be the "ins" of tomorrow. So Lesson No. 2 is that while he is holding the good will of the party in power, he must not at the same time incur the hatred of the opposition parties. When their turn in office comes, retaliation may be swift.

What then are the practical procedures dictated by Lesson No. 2?

Simply this: KEEP OUT OF POLITICS. Play ball with those in office, but do it PASSIVELY. Do it in such a way that the successor politicians will understand that he is the "cooperative" kind. He will cooperate with the new regime with as much facility as he cooperated with the old regime.

German industry met these tests. With few exceptions —mostly smaller firms—industrialists after Bismarck "kept out of politics."

Since 1940, the same tendency has been manifesting itself in the United States.

You exclaim: "I just don't believe you. You say that Big Industry in Germany, generally speaking, kept out of politics. I have read a hundred times if I have read it once that the Ruhr industrialists were really responsible for the rise of Hitler. They subsidized him. Without the millions of marks he got from them, Hitler's movement would have collapsed. That is what I have read."

This widespread belief demonstrates the propaganda success of the Communists. Those I talked to on my visits to Germany told me that despite the well-publicized exceptions, the great majority of industrialists followed the keep-out-of-politics policy.* Privately, many Ruhr industrialists were disturbed by the rise of Hitler; they hoped he would be stopped—but by somebody other than themselves, of course. (Read *Tycoons and Tyrant* by Louis Lochner [Regnery, 1954]. Lochner was chief Berlin correspondent for the Associated Press from 1928 to 1942 after which he was a correspondent with the allied armies in Europe until 1946.)

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*While the industrialists here named were identifiably pro- or anti-Hitler as designated, it should be stressed that they were NOT aggressive in their political activity. They were "above the struggle." As with American industrialists, they gave money—sometimes not very much —and that was all. Money is needed in political campaigning, but it is not a substitute for personal activity. Goldwater once said: "I'd rather have 1,000 workers than $10,000." The value of money is to use it to win supporters—to get workers in your cause. If you have enough supporters, you don't need any money at all.

Among the pro-Hitler industrialists:

- ALBERT PIETSCH—electro-chemical plant owner
- CARL BECHSTEIN—piano manufacturer
- FRITZ THYSSEN—steel (Broke with Hitler in 1939.)
- EMIL KIRDORF—steel
- HJALMAR SCHACHT—president of the Reichsbank
- GUSTAV KRUPP VON BOHLEN UND HALBACH—steel (His policy was to give absolute loyalty to any German government. He died in 1950, but was forced to step down from the company in 1943, due to progressive arterio-sclerosis.)
- ALBERT VOGLER—steel

Among the anti-Hitler industrialists:

- ROBERT BOSCH—sparkplug industry
- CARL BOSCH—general manager for I. G. Farben
- CARL FRIEDRICH VON SIEMENS—Siemens electrical firm
- EDWARD LOSER—member of the Krupp directorate
- CARL DUISBERG—I. G. Farben (Was general manager, then became chairman of the board of directors.)
- HERMANN BUCHER—head of the German General Electric Company (AEG)
- FRIEDRICH FLICK—steel finance (He gave some money to the Nazi Party to "hedge his bets," but he was definitely anti-Nazi.)
- ERNST POENSGEN—steel
- PAUL REUSCH—steel

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In Germany, the keep-out-of-politics policy kept both senior and junior executives from their natural leadership in the conservative cause. To participate in politics was to incur the displeasure of the directorate and lose the chance for business advancement.

Labor, on the other hand, having monopoly control over the workers, was under no such inhibitions. Labor wanted more from industry and more from government; it was free to indoctrinate the workers without any counter-education by business.

FROM BISMARCK through Hitler, the power of the central government advanced decade by decade. Hitler carried the development to its logical conclusion. His party was appropriately named the "National Socialist Party." Union leaders were powerful when Hitler came in, but they wanted more power. Hitler gave them more power—first making sure the power went to those who would use it in his behalf. Incidentally, Peron proved an apt pupil. He gained control of Argentina by giving the labor leaders what they wanted in return for their giving him what he wanted.

Under Hitler, government adjudicated the wages and working conditions. Government fixed prices. All profits above 6 per cent had to be invested in government bonds—Hitler's bonds. Financing Hitler's limitless ambitions, the bonds were sure to become worthless. The forced-bond purchases constituted a 100-per-cent excess profits tax—disguised to fool all who wanted to be fooled.

Nazi Germany remained a private enterprise country only in a nominal sense; the fact was that the industrial system was as government dominated as Russia's. Big Government had become Omnipotent Government.

WHY DIDN'T GERMAN industrialists do something to stop what common sense told them was sure to come? Maybe you will get the answer if you now watch the reaction in coming months of US business leaders to the steel price crisis. It is safe to predict that most of them will decide as did their German brethren that the prudent course is to take their cues from the Administration—all the while sticking their heads in the sand so they won't see the ultimate outcome.

If German industry was not willing to resist Hitler, why did not the German press do so?

To resist tyranny—to oppose programs today that may lead to tyranny tomorrow—is a traditional obligation of the press. The German experience may suggest what *can happen* here.

As I describe the pre-Hitler characteristics of the German press, you might ask yourself whether there are American parallels.

The experiences, characteristics and reactions of the House of Ullstein will tell the story. From humble beginnings, the Ullstein enterprise became the largest privately-owned newspaper-magazine empire in the world. In the Twenties, it was bigger, relative to its country, than Hearst, Scripps-Howard and the Curtis Publishing Company combined.

In Germany, the mass-circulation newspapers and magazines prided themselves upon being political neutralists. Partisanship was confined to party-subsidized organs, small in circulation and even smaller in advertising volume.

The big-profit publications were built upon the policy of pleasing everybody and angering nobody. Thus came circulation.

A widely-believed myth is that newspaper, magazine and broadcasting enterprises whose large profits come from a huge volume of advertising are afraid of their advertisers. The statement is incorrect. The reason for the erroneous belief is a failure to understand that big advertising goes to the big audiences—"circulation" for publications and "viewership" for television.

The most impressive proof is the Jack Paar show which carried 10 to 15 million dollars a year in advertising. Many Paar advertisers were arch-conservatives who detested Jack Paar's arch-liberalism. But the show sold merchandise by the trainload—and that's what counted.

This practice applied to Germany as well as to the USA—as the Ullstein story so well illustrates. The Ullstein editorial policy, like that of the other German mass publications, could be summed up: don't infuriate the organized blocs. To be critical of labor leaders, for example, might provoke boycotts which could produce unhealthy declines in circulation—which would soon be followed by unhealthy declines in advertising.

And once Hitler had built up a fanatical following, it became even more unhealthy to criticize Hitler.

The Ullsteins were Jews. They feared Hitler, but when Herman, the courageous member of the family, proposed an editorial assault upon Hitler, his associates shouted: "No, no, no. The Nazi party has many members. They will boycott us. Oh yes, we know that Hitler must be stopped. But let it be done by somebody else. Not by the Ullsteins. We must think of our business and ourselves."

No less cowardice was shown by the other mass-circulation publishers. They too were unwilling to risk their lives, their fortunes and their sacred honor. None was willing to say as did John Hancock in a letter to George Washington: "Nearly all the property I have in the world is in houses and other real estate in Boston; but if the expulsion of the British army require their being burnt to ashes, issue the order for that purpose immediately."

Since the major publishers were afraid to act individually, Herman Ullstein invited them to meet for the purpose of discussing combined action. Five meetings were held. Nearly every mass-circulation publication was represented. The meetings invariably began with a burst of emotional oratory: the publishers exhorting one another to risk all for the sake of their country. If all attacked, Hitler could be destroyed. But at every meeting there was always a maverick who explained that he could not participate; there were special circumstances in his case. But he promised his moral support—from the sidelines—and he wished full success to the others.

ULLSTEIN

Those who now think of the Nazi tide as irresistible do not realize how close to destruction the Fuehrer was on several occasions. Even after the November 14, 1932, election, there was a surge of hope among the anti-Hilter elements. Wrote Ullstein: "The spell of the Nazis was apparently broken. For of the 229 Nazi delegates elected in August, only 196 were now returned to Parliament." There was deep fear of the Nazis throughout Germany, a genuine craving for bold anti-Nazi leadership. The majority wanted an end to the Nazi terror.

But when Herman proposed unilateral action to his own family, he was outvoted. As Jews, the Ullsteins feared the worst, yet they rejected his proposal to change the policy of the two-million-circulation *Berliner Illustrierte Zeiting*—Germany's No. 1 publication—from neutralist to anti-Hitlerism.

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On January 30, 1933, Hitler seized the reins of power. The cause was lost. The Ullsteins were allowed to continue but, month after month, their control was eroded. They knew they had to sell soon or lose everything. A firm offer came in August, 1934. Their properties were worth the German equivalent of $24 millions, but they lost no time in accepting the offer of $2.4 million in cash and $2.4 million in German government bonds.

Having their money, they had to get out of the country. Day after day, they went to the government offices asking for the necessary papers. Day after day—for four years—they were given new questionnaires, new assessments, new delays. Two of the brothers died. The others were passed from one official to another, each with his hand out. On November 29, 1938, the exit documents were signed, sealed and delivered. Herman Ullstein had $40,000 left with which he hoped to start anew in America. But in front of him were more Nazis with more outstretched palms. Finally, when the last bribe had been paid and the border safely crossed, Herman added up the family wealth. It totaled the German equivalent of four American dollars. However—said Herman in the closing paragraphs of his book—they still had their lives and they had reached freedom.

What is the moral of this discourse? There isn't any—if you can't see it for yourself.

Quotes from Herman Ullstein

The Rise and Fall of the House of Ullstein was published in 1943 by Simon and Schuster. It has long been out of print, but copies may be found in the bigger public libraries.

Page 197— . . . although German newspapers hostile to Hitlerism commanded by far the greater number of readers (every seventh German read some product of the Ullstein press), yet they failed utterly in their efforts to undermine the National Socialist movement. Although it is very possible that none of them was sufficiently insistent, or took Hitler seriously enough at the beginning, nevertheless it still remains a miracle that a man without a powerful press behind him won the race with such staggering ease.

There is no use denying the fact that *the press failed*! The writer of these lines, himself a man of the press, admits it frankly, and by so doing accuses himself.

Pages 208-210—"National Socialism", [began a man whose real name is omitted, but who is called Major Schmidt] "is a serious danger because of the men behind it. They are men of violence, who would shrink from nothing. Their mentality is no better than that of the Asiatics who seized power in Russia. If we don't succeed in rendering them harmless, nothing will be safe —neither conservatism nor liberalism, neither land nor property. They will destroy everything we hold sacred."

I am quoting from memory, so that though these may not have been the Major's exact words, nevertheless they form the substance of what he said . . . .

"Now I have influence with the Stahlhelm" [a militaristic organization of German Nationalists], he went on. "To eradicate Hitlerism with the help of the Stahlhelm, I need about two million marks. We cannot allow ourselves to be fainthearted. *Heads must roll*! Violence must be met with violence. I am asking you to make use of all your influence, to unite those who think as you do in a common front, and to raise the two million marks we are in need of. I will not render you an account of how this money will be used. I demand confidence. I am not an unknown man; I have already achieved something, and I am also a man of my word. Any promise I give you will be kept!"

Page 211— . . . after the frightening results of the Reichstag elections in September, 1930, and my conversation with Prime Minister Braun . . . I began to understand fully what a good prophet Major Schmidt had been. It was then that I faced the task of figuring out how I myself could help with the means at my command. From the beginning, I was aware of the lukewarm attitude of large sections of the press belonging to the center parties. Politically, many of them were utterly colorless. They even had no desire to take part in politics, flattering themselves that they had readers in all political camps. Nor had they any wish to lose readers by possibly giving offense. It was just this section of the German press which had a very wide circulation. It included a group of newspapers published under the name of *General-Anzeiger* (General Informer) of which 12 alone in as many large towns belonged to a single publisher. Their owner, Dr. Huck, whom I knew quite well, had no interest in politics and ran his newspapers as pure business propositions, from which he made millions every year.

Pages 212-215—To my delight, the *General-Anzeiger* King was all for it and informed me that he would gladly attend any meeting. At this news, I immediately sent out invitations to about 20 great publishing houses, whose policies reflected in the main those of the center parties. At our first meeting, which took place in a hall of the Reich's Council of Economics, it really looked as though the idea stood a good chance of succeeding. At the conference were representatives from Hamburg, Frankfurt, Munich, Stuttgart, Dusseldorf, Hanover, Mannheim, Dresden, Breslau, Bremen and Stettin.

But the fear of Hitler lay already too deep in the bones of many of these people. The greatest fear of all, however, was that of losing their readers. One represenative from Hanover calculated that at least one half of all his readers were Hitlerites. The result was that he had to refrain from any criticism. Even when one of his competitiors vehemently disagreed with him, his opinion remained unshaken.

"Each one of us must know," said the frightened man, "what he can afford to offer his readers."

"Are we the slaves of public opinion," replied the other, "or do we wish to be its leaders?" . . .

Finally, the meeting adjourned. But on the second occasion, opinions clashed once more, and after two or three further conferences the Press Circle broke up and its idea was abandoned . . . .

Suddenly, one day in November, 1931, Germany woke aghast to the first cries of alarm! . . .

Most papers remained dumb. They were already terrified of taking too strong a line against Hitler. Fear had them in its paralyzing grip.

Pages 217-218—The same thing was true of all newspapers catering to the masses; and the wider their circulation, the more their publishers and editors feared losing their readers. Once this fear became predominant, they ceased to lead public opinion and abandoned their duty. It is the business of the press, after all, to act as a mirror to public life, to expose corruption, to criticize the government and society at large; newspapers should be the guardians of order, the servants of the state and of its citizens. The moment they start printing nothing but news—abandoning comment and criticism—they lose half their importance, and become shadows of their former selves.

The failure of the press, caused by the fear of losing its readers, had disastrous consequences in Germany.

Pages 232-234—Thus in the year 1932 we had two different schemes for disposing of Hitler. While Schleicher's idea was to proceed against him together with the Social Democrats, Papen's plan was to take him into the government, if only to pass him off with some inferior post. Both schemes were to fail. Nor did the press do much to help. Its efforts, indeed, grew weaker and weaker the more menacing Hitler, the citizen of Brunswick, became.

Now this was one more occasion when I made an effort to use the instrument of the press in a more vigorous manner . . . . I . . . proposed enlisting [our own] *Berliner Illustrierte Zeitung* in the fight. This paper now had a circulation of about two millions, which meant a reading public between five and six million. For 40 years the *Illustrierte* had remained politically neutral; but it was now about time, I insisted, that it should be used to combat the menace of Hitler. Now listen to the reactions . . . .

The prophecy was that we should lose half our readers. Well, I replied, better lose that many now than all of them later! "Oh what timidity!" I was told. . . . At all events, I lost. And the majority of the members of our board of directors went on believing that a miracle would soon save them.

Page 235—My own suggestion for a change in the editorship of the *Berliner Morgenpost* was rejected. And this was my last attempt to make a more forceful use of the power of the press.

Pages 243-244—At last the 13th of August [*1932*], Election Day, arrived . . . . In the voting places, terror reigned. No longer could anyone be sure that the secret ballot was safeguarded, with the result that millions of people simply didn't dare vote for any other party but the National Socialist. Violation of the Constitution was especially prevalent in the country districts. According to the regulations, every voter had to step behind a curtain, place his voting slip in an envelope and drop it in the ballot box himself. Wherever the polling booths were run by a Nazi, however, the farmers were commanded to submit their vote publicly. Thus the political opinion of millions of people was falsified, and the election returns proved crushing. The actual figures [of the party breakdown of the Reichstag] were as follows:

229 National Socialists
139 Socialists
88 Communists
37 German Nationalists

. . . The Nazis started off by demanding a vote to withdraw the confidence from the government. Hugenberg's German Nationalists voted against the motion, but the Communists, who were always game when the government was to be tripped up, supported it.

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